

lowering taxes. Those are the two tools that are being displayed and used now, and they are working to start the economic recovery. If you grow taxes at this point in time, you send the wrong message.

We do have a growing Federal deficit. What should we be doing to address that? I think we should address that issue of the Federal deficit. It is important. It is an issue. It is something that needs to be addressed.

I want to put forward an idea that we have 28 cosponsors on now. I want to put it forward in the context of how we balanced the budget in the past. We were able to balance the budget for several years in a row. It is the Congress that appropriates the money and allocates the spending. It is the Congress that gets the budget either in surplus or deficit, and it was the Congress that balanced the budget previously.

How did we do it? There were two things. There was a strong growth in the overall economy producing receipts coming into the Federal Government and there was a slowing of the growth in Federal spending. We restrained the growth of Federal spending so the growth in the economy and the receipts it produced were more than the growth in the spending of the Federal Government, and we were able to get our way to a position where we had a balanced budget for several years in a row, indeed pushing forward strong surpluses.

That is the way we will balance the budget again. Getting the economy growing and restraining the growth in Federal spending.

How do we restrain the growth in Federal spending? The Commission on Accounting and Review of Federal Agencies—CARFA, for short. The model for it is the BRAC procedure. With the BRAC procedure, we looked at the totality of the military bases we had. We said we had too many military bases; we should cut back those military bases, consolidate them, and use whatever we can save if we can save among the bases we keep. It is called the BRAC process.

How does that work? We had a commission. The commission met, they discussed it, and said we should eliminate these 50 bases. Then a bill was introduced in the Congress with no amendments, and you gave each House one vote up or down, whether they agree or disagree. By that means we were able to eliminate and consolidate bases.

I say let's do the same thing with domestic discretionary programs. By that I am saying not for the military; we already have a procedure there. Not for entitlement programs. Let's move forward that way, and that is a way we can address this issue. That is how we will actually get back to a balanced budget, not by raising taxes.

As to Iraqi spending, I want to discuss that. I think we should review and reduce some of the spending in this area that has been proposed. I have

gone through in some detail, not the full proposal yet but most of it. I think there are areas we should not be paying for. Memorials to human rights abuses—clearly those are things that would be good to do. But should we, the American people, the American taxpayer, be paying for that? Is that central to redeveloping Iraq? I don't think it is, particularly at this time.

Should we be paying \$50,000 per garbage truck? I don't think so, not in a part of the world that maybe it would be good to have, but there is probably garbage being collected in old pickup trucks. That is the way we used to do it in my hometown many years ago. There is nothing wrong with that, maybe, at the current stage of development. Maybe later you would use something better. But I think we should take some of these areas and say, let's pull those down and pull those out and let's reallocate some into more policing, which is critically important in Iraq, for us to get our troops garrisoned and less subject to exposure. Put it in the Iraq development bank, where we can see the Iraqi people growing their own money and we will be saving some of the money for our deficit purposes here, working to reduce that. I will be working with a group of people to put such a proposal together and put it in front of my colleagues.

I think that is an important part the job of this body, to review what the President has put forward and see where we agree and let's pass that and other areas where we would change it.

I do not think it is an option for us not to pass the supplemental. We need the supplemental for the troops. We need the supplemental to develop Iraq. It is not an option for us to fail in Iraq. We must succeed. Indeed, Iraq and its success is central to us bringing forward a reduction in the swamp area where terrorism has bred and where it has stewed and where it has grown, in an area we have seen terrorism coming forth and attacking us. This is an area we have to go out and change. We change it by bringing forth our ideas and our models of democracy, of an open society, and of a free economy. This Iraq is going to be an area where we will have to concentrate and focus, deliver that, and hopefully that will affect much of the rest of the region. There is some indication that is already happening.

So you drain the swamp away, and drain it away with our set of ideas.

Failure in Iraq is not an option. We must succeed in Iraq by moving forward with our model on the war on terrorism, which is we take the war there rather than letting them gather steam and come at us and kill our people here.

I think there are legitimate ways to address this issue. I think we ought to look at the issues of loans versus total grants. This is a large-scale, oil-based country that wants those production wells going again. I think there is going to be oil produced and a substantial amount of income.

I think we ought to look at the overall proposal. There are places where we should adjust. But overall, we are going to need to pass this supplemental. For us to raise taxes at a time when we are just getting the economy going would be the wrong way for us to go as a government, as a society, and for this country.

We have to allow this growth to continue taking place. The key here would be instead of reducing our overall spending to look for places we can save within this overall spending bill.

We are going to have a spirited debate. As we go out for a week and do townhall meetings across the country—and I will be doing that in my State—I look forward to gathering a lot of input from individuals. I think that will be helpful for us as we move forward.

But I don't want us to send an improper signal. Failure in Iraq is not an option. We cannot fail. We need to do this supplemental, but I think we can make some changes.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KOHL. I thank the Chair.

I rise today to voice my support for the amendment offered by the Senator from Delaware. His amendment allows us to fully offset the \$87 billion cost of the supplemental before us by increasing slightly the top tax rate in the years 2005 to 2010. This top tax rate—which is paid only by the wealthiest 1 percent of taxpayers—was cut dramatically in the two tax cut bills passed since President Bush took office.

There is broad consensus for the \$67 billion in this request for military and defense spending. And even those of us who voted yesterday to cut \$15 billion in reconstruction funding did so to make the point that we have lingering questions about the nature of this funding and who will pay for it. However, our support for funding our obligations in Iraq doesn't mean that we support adding to the exploding deficits our Nation is now facing. The Biden amendment does not question whether we should fund the war—it addresses how we finance our necessary obligations.

The President has proposed paying for the entire \$87 billion with debt. In a time when our deficit is projected to top half a trillion dollars a year, this choice is unsupportable.

Our ballooning government debt sucks capital from a private sector struggling to recover lost manufacturing jobs. The debt places upward pressure on interest rates, wreaking havoc on the family budgets of those carrying home loans or consumer debt. The billions we pay in debt service each year is billions that does not go to our schools, our roads, or our growing homeland security needs. And a crippling debt is a terrible legacy for future generations—generations that had no say in our current policies in Iraq.

Financing this war with debt is a costly and unwise choice. The Biden